THE HON'BLE SRI JUSTICE L.NARASIMHA REDDY

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WRIT PETITION No.6339 of 2007

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Date: 29.03.2007

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Between:

M/s.Sai Seeds.

....Petitioner

and

The Government of A.P. and others.

....Respondents

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O R D E R:

Petitioner has entered into an agreement with the Andhra Pradesh Cooperative Oil Seeds Growers Federation Limited, Hyderabad for supply of processed and labelled oil seeds, which in turn, have to be supplied to the farmers for raising crops. In the course of its business, the petitioner purchases the seeds in the open market from the growers or other suppliers and supplies the same to the Federation after processing, packing and labelling. The Agricultural Market Committee, Nagarkurnool, the third respondent herein, issued a notice to the petitioner requiring it to pay the market fee on the oil seeds purchased by it. The petitioner paid certain amount and thereafter took the plea that it is not under the obligation to pay the market fee, since the seeds cannot be treated as agricultural produce in the context of levy of market fee. The third respondent did not accept the contention and repeated its demand. The same is challenged in this writ petition.

Sri G.Dhananjai, the learned counsel for the petitioner submits that having regard to the nature of activity undertaken by the petitioner, the market fee cannot be levied at all. The second limb of his argument is that the demand is in excess of the actual liability and though a representation was made in this regard, no action has been taken thereon.

Sri V.V.N.Narayana Rao, the learned counsel for the third

respondent, on the other hand, submits that the seed purchased by the petitioner from the market is an agricultural product pure and simple and the mere fact that it was subsequently processed and supplied as branded seed to the Federation, does not make any difference from the point of view of levy of market fee. He further contends that the grievance of the petitioner as to difference, can, certainly be worked out, after due verification of the facts.

In W.P.No.13527 of 2004 and batch, this Court held that the seed grown by farmers from out of the foundation seed supplied by the seed companies, cannot be treated as an agricultural produce and the sale or purchase thereof does not attract the provisions of the Andhra Pradesh (Agricultural Produce and Live Stock) Markets Act, 1966. The said principle does not apply to the facts of the present case. The reason is that the seed purchased by the petitioner from the farmers and other suppliers is not grown out of any foundation seed. Further, there do not exist any agreements for reproduction of the seed as in the case of the seeds procured by the certified seed companies. In identical circumstances, this Court dismissed a writ petition. So far as the second limb of the grievance of the petitioner is concerned, the third respondent is under obligation to consider the same.

For the foregoing reasons, the writ petition is disposed of, directing that:

(a) the petitioner shall pay the undisputed market fee on the transactions undertaken by it within six (6) weeks from today, duly taking into account the amount already paid by it; and

(b) as regards the disputed amount, it shall be open to the petitioner to make a representation within (4) weeks

from today. Till the representation is disposed of by the third respondent, no coercive steps shall be taken against the petitioner for such amount.

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29.03.2007

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